

**GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:5125
ANSWERED ON:25.04.2003
BALANCE OF PAYMENTS
BASUDEB ACHARIA

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

- (a) the balance of payment in the foreign trade during each of the last three years;
- (b) the foreign exchange reserve for the same period with year-wise break-up;
- (c) whether the foreign exchange reserve increased continuously while balance of payment remained always negative; and
- (d) if so, the factors making the gap up and the dependency of such contributing factors for the year 2001-2002?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO V. ADSUL)

(a), (b), (c) & (d): A statement is attached.

Answer referred to in Lok Sabha Unstarred Question No. 5125 for 25-04-2003 regarding Balance of Payments

(a): As per the latest data available with the Reserve Bank of India the trade balance on balance of payments basis is as indicated in the table below.

(in US Dollar Million)

April-December

1999-2000 2000-2001 2001-2002 2001-2002 2002-2003

Trade Balance	-17,841	-14,370	-12,703	-10,422	-9,760
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(b): The total foreign exchange reserves (including Gold and Special Drawing Rights (SDRs)) at the end of each financial year were: 1999-2000 US \$ 38,036 million, 2000-2001 US \$ 42,281 million, 2001-2002 US \$ 54,106 million and 2002-2003 US \$ 75,428 million.

(c): In terms of balance of payments accounting practices, the accretion to foreign exchange reserves takes place only when there is a surplus in the overall balance of payments. For the sixth year in succession, the balance of payments recorded an overall surplus contributing to reserve accretion.

(d): During the year 2001-2002, the accretion to foreign exchange reserves (excluding Gold and valuation changes) was of the order US \$ 11,757 million of which US \$ 1,351 million and US \$ 9,545 million were through current account surplus and net capital account (excluding errors and omissions of \$861 million) respectively.